



WISCONSIN DEPARTMENT OF  
CHILDREN AND FAMILIES

201 E. Washington Ave. - PO Box 8916  
Madison, WI 53708-8916

Governor Scott Walker  
Secretary Eloise Anderson

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## CONTRACT AGREEMENT

by and between  
**Wisconsin Department of Children and Families**  
and  
**Vendor Name**

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**CONTRACT NUMBER:**  
**CFB00144A7**

**CONTRACT PERIOD:**  
January 1, 2013 – December 31, 2016  
Option to Renew: up to four (4) two (2)-year periods  
Maximum Contract Period: twelve (12) years

**COMMODITY OR SERVICE and DEFINITION:**

DCF is authorized by section 49.143 of the Wisconsin Statutes, as amended, to Contract with service providers to administer the Wisconsin Works (W-2) and Related Programs under sections 49.138 and 49.141 to 49.161

This Contract covers provision of services for the following region(s): Milwaukee-Southern

**AMENDMENT DESCRIPTION:**

This Amendment provides funding allocations for the 2014 Calendar Year. Additionally, several language changes are incorporated with this Amendment. To make the Contract more understandable, a new Base Contract containing all current terms and conditions of the Contract is being issued instead of a standard Amendment form.

**DCF Contract Managers:**

MILW: Linda Richardson – Phone #414-227-4692  
[Linda1.Richardson@wisconsin.gov](mailto:Linda1.Richardson@wisconsin.gov)  
BOS: Rebecca Brueggeman – Phone # 608-267-9886  
[Rebecca.Brueggeman@wisconsin.gov](mailto:Rebecca.Brueggeman@wisconsin.gov)

**Contract Billing and Payment Terms**

Reporting forms located:  
<http://dwd.wisconsin.gov/core/forms.htm>

See Reporting and Payment Schedule located:  
[http://dcf.wisconsin.gov/w2/pdf/claims\\_payment\\_calendar\\_2013.pdf](http://dcf.wisconsin.gov/w2/pdf/claims_payment_calendar_2013.pdf)

**W-2 CONTRACTOR INFORMATION:**

W-2 Contractor Name: \_\_\_\_\_  
W-2 Contractor Authorized Representative: \_\_\_\_\_  
W-2 Contractor Authorized Representative Email: \_\_\_\_\_  
W-2 Contractor Street Address: \_\_\_\_\_  
W-2 Contractor City, State, Zip: \_\_\_\_\_  
W-2 Contractor Phone / Fax: \_\_\_\_\_  
W-2 Contractor Program Manager: \_\_\_\_\_  
W-2 Contractor Program Manager Email: \_\_\_\_\_  
Contractor FEIN#: \_\_\_\_\_

**Funding Information for Grants Managed thru CORE:**

W-2 Contractor:	CORe Agency Code#:		Funding Period: 01/01/2014 – 12/31/2014	Contract # CFB00144A7
Commodity or Service Description	CORe Contract Code Number	Contracted Payment Amount	Contracted Quantity	Total Contract Balance
Maximum Capitated Amount	2385			
Job Attainment Performance Outcome	2345			
Long-Term Participant Job Attainment Performance Outcome	2360			
Partial Job Attainment Performance Outcome	2340			
Job Retention Performance Outcome	2355			
SSI/SSDI Attainment Performance Outcome	2365			
Emergency Assistance: Timely Processing of Applications	2327			
Work Participation All Family Payments	2375			
Work Participation Improvement Payments	2335			
Cost Reimbursement: Refugee Cash and Medical Assistance Administration	0133	Uncapped	Uncapped	Uncapped
Cost Reimbursement: Refugee Cash Assistance	0134	Uncapped	Uncapped	Uncapped
Cost Reimbursement: Emergency Assistance Payments	2328	Uncapped	Uncapped	Uncapped
Cost Reimbursement: Contracted Child Care	2312			
Cost Reimbursement: TEMP Subsidies				
Job Access Loan Target Allocation	2304			
Total Contract				

\*\*\*All Funding allocations or budgeted maximums are subject to Federal and State budgetary changes\*\*\*

DCF and the W-2 Contractor acknowledge that they have read the Contract and the attached exhibits, addenda and requirements, understand them and agree to be bound by their terms and conditions. Further, DCF and the W-2 Contractor agree that the Contract and the exhibits and documents incorporated herein by reference are the complete and exclusive Statement of the agreement between the parties relating to the subject matter of the Contract and supersede all proposals, letters of intent or prior agreements, oral or written, and all other communications and representations between the parties relating to the subject matter of the Contract. DCF reserves the right to reject or cancel agreements based on Contract documents that have been altered.

This Agreement becomes null and void if the time between the earliest dated signature and the latest dated signature exceeds sixty (60) days, unless waived by DCF.

### **Signatures**

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AGENCY AUTHORIZED REPRESENTATIVE  
REPRESENTATIVE TITLE

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Date

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Division Administrator  
Department of Children and Families

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Date

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Department Secretary  
Department of Children and Families

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Date

## **CONTRACT AGREEMENT**

### **I. PARTIES TO THE CONTRACT**

This agreement, hereinafter referred to as the "Contract," shall be between the Wisconsin Department of Children and Families, hereinafter referred to as DCF and/or the State, and the W-2 Contractor listed on the signature pages, hereinafter referred to as "W-2 Contractor," "Contractor," or "Provider" for the procurement of services listed, according to the terms set forth in this Contract. In Appendix A to this Contract, DCF is identified as "Department or Agency," and W-2 Contractor is identified as "participant" or "prospective participant." The term "Parties" shall include both DCF and the W-2 Contractor.

#### **A. Contract Managers**

1. DCF and the W-2 Contractor shall each appoint a Contract Manager and shall each notify the other in writing in the event of any change in the Contract Manager.
2. DCF's Contract Managers are the Division of Family and Economic Security (DFES) Chief of the Milwaukee Operations Section for Contracts covering geographical areas within Milwaukee County and the Chief of the Program Operations Section for Contracts covering geographical areas outside Milwaukee County. The W-2 Contractor's Contract Manager is the person identified in the W-2 Contractor Information as W-2 Contractor Program Manager.
3. DCF Contract Manager monitors the W-2 Contractors for compliance with the Contract and with DCF's policies and procedures and for satisfactory delivery of the services and activities identified in this Contract, in the Scope of Work, Standard Operating Procedures (SOPs) as approved by DCF and in the W-2 Contractor's Proposal.
4. The W-2 Contractor's Contract Manager manages the W-2 Contractor's daily operations and is responsible for the W-2 Contractor's prompt implementation of any corrections and improvements identified by DCF, to ensure compliance with the Contract and DCF's policies and procedures and for satisfactory delivery of the services and activities identified in this Contract, in the Scope of Work, SOPs as approved by DCF and in the W-2 Contractor's Proposal.

#### **B. W-2 Administrator**

The DFES Administrator is the W-2 Administrator and shall exercise all of DCF's rights under the Contract. Any disputes between a W-2 Contractor and DCF under the Contract shall be resolved by the Disputes process in s. XIII of this Contract.

### **II. TERM OF CONTRACT**

Contract term is January 1, 2013 through December 31, 2016. Upon satisfactory performance by the W-2 Contractor and by mutual agreement of DCF and the W-2 Contractor, the Contract may be renewed up to four (4) additional two (2) year periods, for a maximum of twelve (12) years.

### **III. EXECUTED CONTRACT TO CONSTITUTE ENTIRE AGREEMENT**

This Contract and supporting written communications constitute the entire agreement between the parties. The hierarchy of documents in order for resolution is as follows:

- A. Laws, regulations and policies of the State and Federal government**
- B. Division of Family and Economic Security Administrator's Memos**
- C. This Contract, including all exhibits, attachments, appendices and addenda to the Contract**
- D. W-2 Contractor's Annually Submitted Budget Proposals**
- E. W-2 Contractor's Standard Operating Procedures as approved by DCF**
- F. W-2 Contractor's Proposal as submitted including written responses to the oral interview questions**
- G. Request for Proposal #CFB00144 and addenda**

Any conflict in terms shall be governed by the highest listed document. W-2 Contractor composed and submitted Contracts will not be accepted as a substitute for these documents.

The Parties agree to renegotiate this Contract or any part thereof in the event of exceptional circumstances including, but not limited to:

- Changes required by State and Federal laws or regulations, court decisions or DCF policies;
- Reduction in the monies available affecting the substance of this Agreement;
- In the event an American Indian Tribe exercises its option to create or discontinue a tribal Temporary Assistance for Needy Families (TANF) program.

In addition, the W-2 Contractor agrees to renegotiate capitation rates and performance outcomes eligible for performance outcome payments on an annual basis in August of each calendar year for the following calendar year. By mutual agreement, the parties may renegotiate capitation rates and performance outcome payments earlier or later in the calendar year than August.

Failure to agree to a renegotiated Contract under these circumstances is cause for DCF to terminate this Contract for convenience.

Revision of this agreement may be made by mutual agreement. The revision will be effective only when DCF and the W-2 Contractor attach a written addendum, modification or amendment to this agreement which is signed by the authorized representatives of both parties.

If any provision of this Contract is determined to be illegal, unenforceable, or void, then the remainder of the Contract shall remain in effect.

#### **IV. SCOPE OF WORK**

The W-2 Contractor will provide W-2 services in accordance with this Contract. Specific program requirements are included as **Scope of Work attached as Appendix C.**

W-2 Contractor shall develop and maintain continuity of operations plans (COOP) that will enable it to recover from any disruption of normal business operations within twenty-four (24) hours. W-2 Contractor staff shall be trained on these plans on a routine basis of no less than once a year. Upon request, W-2 Contractor shall make its COOP plans available to DCF for review. DCF may require W-2 Contractor to participate in DCF COOP training and exercises to maintain and test COOP readiness.

#### **V. TERMS AND CONDITIONS RELATING TO PAYMENTS:**

The W-2 Contract will comply with terms and conditions related to payment under this Contract. Specific requirements are included as **Terms and Conditions Relating to Payment attached as Appendix E.**

#### **VI. PRIVACY AND CONFIDENTIAL INFORMATION**

##### **A. Records**

All case information, paper records, written information, and any electronic data shall remain confidential, as required by law and applicable policy.

W-2 Contractor and its Subcontractors shall comply with all State and Federal confidentiality laws concerning the information in both the records it maintains and in any other confidential records the W-2 Contractor accesses to provide the services under this Contract.

##### **B. Confidentiality**

Except as otherwise authorized by law, the W-2 Contractor may not disclose confidential information for any purpose other than purposes associated with the administration of services under this Contract.

"*Confidential Information*" means all tangible and intangible information and materials accessed or disclosed in connection with this Agreement, in any form or medium (and without regard to whether the information is owned by DCF or by a third party), that satisfy at least one of the following criteria:

1. Personally Identifiable Information;
2. Individually Identifiable Health Information;
3. Non-public information related to DCF's employees, customers, technology (including data bases, data processing and communications networking systems), schematics, specifications, and all information or materials derived there from or based thereon; or
4. Information designated as confidential in writing by DCF.

*"Individually Identifiable Health Information"* means information that relates to the past, present, or future physical or mental health or condition of the individual, or that relates to the provision of health care in the past, present or future, and that is combined with or linked to any information that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

*"Personally Identifiable Information"* means an individual's last name and the individual's first name or first initial, in combination with and linked to any of the following elements, if the element is not publicly available information and is not encrypted, redacted, or altered in any manner that renders the element unreadable:

1. The individual's Social Security number;
2. The individual's driver's license number or State identification number;
3. The number of the individual's financial account, including a credit or debit card account number, or any security code, access code, or password that would permit access to the individual's financial account;
4. The individual's DNA profile; or
5. The individual's unique biometric data, including fingerprint, voice print, retina or iris image, or any other unique physical representation, and any other information protected by State or Federal law.

Confidential Information does not include information which is required to be disclosed by operation of law.

## **VII. RECORDS, DCF PROPERTY AND AUTOMATION**

### **A. Records**

The W-2 Contractor shall maintain such records (in either written or electronic form) as required by State and Federal law and as required by program policies. The W-2 Contractor shall retain records in a secure environment for no less than the retention period specified in law or policy. Records for periods which are under audit or subject to dispute or litigation shall be retained until the audit/dispute/litigation, and any associated appeal periods, have ended.

Upon DCF's request, at the expiration of the Contract, the W-2 Contractor will transfer at no cost to DCF records regarding the individual recipients who received services from W-2 Contractor under this Agreement. The transfer of records includes transfer of any record, regardless of media, if that is the only method under which records were maintained.

The W-2 Contractor shall make all records and any written and/or electronic case information available to DCF or its authorized agents upon request, and will allow inspection of records and programs, insofar as is permitted under State and Federal law.

### **B. Equipment and Property**

The W-2 Contractor may purchase and install equipment in accordance with DCF's policies and procedures. For capital equipment costing in excess of \$5,000, the Contractor must contact DCF at: [DCF\\_Auditors@wisconsin.gov](mailto:DCF_Auditors@wisconsin.gov) for prior approval of the purchase and depreciation method. The request must contain a copy of the equipment quote or actual invoice, plus a description of the planned depreciation method. DCF will respond to the request in writing. The W-2 Contractor shall be responsible for inventory, maintenance, replacement, and security of all purchased equipment.

DCF shall have all ownership rights in any hardware supplied by DCF and in any software or modifications thereof and associated documentation designed, developed or installed as a result of this Contract.

The W-2 Contractor is responsible for keeping all property used for the W-2 program secure from theft, damage or other loss. The W-2 Contractor shall preserve the safety, security and integrity of DCF property, data, and equipment in accordance with DCF policy and procedures.

The W-2 Contractor shall keep all State owned automation equipment in a secure place and shall be responsible for damages or losses when such damage or loss is caused by the negligence or willful misconduct of the W-2 Contractor, W-2 Contractor's staff, or Subcontractor. The W-2 Contractor shall reimburse DCF accordingly upon demand. This remedy shall be in addition to any other remedies available to DCF by law or equity.

#### **C. Proprietary Information**

Reference to or use of the State of Wisconsin, the Great Seal of the State, the Wisconsin Coat of Arms, any Agency or other subunits of the State government, or any State official or employee, for commercial promotion is strictly prohibited. News releases or release of broadcast e-mails pertaining to the Contract shall not be made without prior written approval of the State.

#### **D. Information Technology**

DCF and the W-2 Contractor will work together to ensure the efficient and effective operation of automated systems in support of the programs covered by this Contract.

The W-2 Contractor will provide for information technology security in accordance with DCF's policies and procedures.

The W-2 Contractor will adhere to the provisions of DCF's security policies and procedures. The W-2 Contractor shall designate an employee as W-2 Contractor Security Officer, and shall also appoint Functional Agency Security Liaisons (FASL) or Backup W-2 Contractor Security Officers for ensuring compliance with security precautions for the State's automated systems and for ensuring confidentiality of program data, including but not limited to data in CARES, KIDS and eWISACWIS.

The W-2 Contractor Security Officer is responsible to ensure that access to the State's automated systems is requested only for the purposes of administration of the programs under the Contract, and that each individual's level of access is requested and maintained at the minimum necessary for that individual to provide Contract services. Any system access request that does not meet this requirement shall be denied by the W-2 Contractor at the local level. All system access requests shall be signed by the Supervisor or Functional Agency Security Liaison (FASL) and W-2 Contractor Security Officer or Backup W-2 Contractor Security Officer, as appropriate, before State security staff process the request.

The W-2 Contractor agrees to the terms of Data Sharing Agreements with DCF (Appendix D) and the Department of Workforce Development (Appendix E - pending).

#### **E. Access to State Automated Systems by Subcontractors or Others**

Contract provisions that apply to W-2 Contractor staff also apply to Subcontractor and other staff authorized by the W-2 Contractor to carry out Contract responsibilities. In the event that Subcontractor or other individuals request access to the State's automated systems, the W-2 Contractor Security Officer shall ensure that such access is maintained at the minimum necessary for the individual to provide Contract services.

Prior to requesting access for Subcontractor or other authorized staff, the W-2 Contractor will prepare and submit to DCF properly executed data sharing agreements or other appropriate confidentiality agreements as defined by DCF. The agreements will address compliance with relevant State and Federal confidentiality

regulations, and will specify that the individuals granted access are responsible for safeguarding the confidentiality of information and for using said information exclusively for authorized purposes.

During the performance of services under this Contract, the W-2 Contractor may have access to the personnel, premises, equipment, and other property, including data files, information, or materials (collectively referred to a “data”) belonging to the State. The W-2 Contractor shall preserve the safety, security, and the integrity of the personnel, premises, equipment, data and other property of DCF, in accordance with the instruction of the State. The W-2 Contractor shall be responsible for damage or loss that is caused by the W-2 Contractor, contracted personnel, or Subcontractors, and shall reimburse the State accordingly upon demand. This remedy shall be in addition to any other remedies available to DCF by law or in equity.

## **VIII. ACCOUNTING REQUIREMENTS**

### **A. Accounting Records**

The W-2 Contractor shall maintain accounting records in accordance with Generally Accepted Accounting Principles (GAAP), in a manner which will enable State or Federal government or other staff to audit and examine any books, documents, papers and records maintained in support of the Contract and as more specifically provided below. All documents shall be made available to DCF at its written request, and shall be identifiable as pertaining to this Contract.

### **B. Accounting System**

The W-2 Contractor shall maintain a financial management information system in accordance with the Generally Accepted Accounting Principles contained in DCF’s Financial Management Manual.

### **C. System Requirements**

The W-2 Contractor’s accounting system shall allow for accounting for individual programs, permit timely preparation of expenditure reports and support expenditure reports submitted to DCF.

### **D. Reconciling Reports**

The W-2 Contractor shall reconcile costs reported to DCF to expenses recorded in the W-2 Contractor’s accounting system on an ongoing and periodic basis. The W-2 Contractor agrees that reconciliation will be completed at least quarterly and will be documented and supplied to DCF upon request. The reconciliation must demonstrate the expenses reported to DCF match those of the W-2 Contractor’s general ledger. The W-2 Contractor shall retain the reconciliation documentation in accordance with record retention requirements.

### **E. Accounting Period**

The W-2 Contractor’s accounting records shall be maintained on an annual basis. Approval will be given only if the W-2 Contractor submits proof of Internal Revenue Service approval for changing the accounting period and if the W-2 Contractor agrees to submit a close-out audit for the shortened accounting period, within 90 days after the first day of the new accounting period. For purposes of determining audit requirements, expenses and revenues incurred during the shortened accounting period shall be annualized.

### **F. Cost Allocation Plan**

The W-2 Contractor shall submit a copy of their cost allocation plan to DCF within 30 days of signing the Contract. The plan shall be reasonable, documented in writing in a W-2 Contractor-wide cost allocation plan and a W-2 Contractor wide indirect cost allocation plan. Costs shall be allocated in a manner consistent with these plans. The plans shall be in accordance with the requirements of applicable Federal cost policies.



## **G. Cost Sharing Allocation Plan**

All property, equipment, software, or services used by multiple programs or for multiple purposes is subject to cost allocation procedures. The W-2 Contractor will appropriately adjust claimed expenditures under a cost-sharing allocation plan if automation equipment, software, or other services, including staffing services, are used for any purpose other than W-2 Program.

## **IX. AUDITING REQUIREMENTS**

### **A. Requirement to Have an Audit**

Unless waived by DCF, the W-2 Contractor shall submit an annual audit to DCF. The audit shall be performed in accordance with generally accepted auditing standards, s.49.34(4)(c), Wis. Stats., *Government Auditing Standards*, and other provisions in this Contract. In addition, the W-2 Contractor is responsible for ensuring that the audit complies with other standards that may be applicable depending on the types of services provided, and the nature and amount of financial payment received:

- Federal OMB Circular A-133 "Audits of States, Local Governments and Nonprofit Organizations"; and the yearly Supplement, which applies only to Contractors that expend \$500,000 from all Federal funding sources (this grant and other grants, direct or indirect, from this DCF or another), during a Contractor's fiscal year.
- The *State Single Audit Guidelines (SSAG)*, including the yearly Appendix, which are applicable to local governments having A-133 audits; and/or
- The *Provider Agency Audit Guide (PAAG)*. All W-2 Contractors which do not meet the requirements of the SSAG shall have audits in conformance with the PAAG.

### **B. Source of funding**

DCF shall provide funding information needed for audit purposes including the name of the program, the Federal Agency where the program originated, the CFDA number, and the percentages of Federal, State, and local funds constituting this Contract. This information is supplied on the CORE Payment Information Form.

### **C. Single Audit Reporting package**

The W-2 Contractor shall submit to DCF a reporting package which includes the following:

1. All financial Statements and other audit schedules and reports required for the type of audit applicable to the W-2 Contractor.
2. A summary schedule of prior year findings and the corrective actions taken to address these findings.
3. The Management Letter (or similar document conveying auditor's comments issued as a result of the audit) or written assurance that a Management Letter was not issued with the audit report.
4. Management responses/corrective action plan for each audit issue identified in the audit.

### **D. Submitting the Reporting Package**

The W-2 Contractor shall submit the required reporting package to DCF within 180 days of the end of the W-2 Contractor's fiscal year for non-governmental W-2 Contractor agencies. DCF requests electronic submission of the reporting package. Electronic Reporting Packages should be sent to:

[DCFAuditors@wisconsin.gov](mailto:DCFAuditors@wisconsin.gov)

### **E. Access to auditor's work papers**

When contracting with an audit firm, the W-2 Contractor shall authorize its auditor to provide access to work papers, reports, and other materials generated during the audit to the appropriate representatives of DCF. Such access shall include the right to obtain copies of the work papers and computer disks, or other electronic media, upon which records/working papers are stored.

**F. Access to Contractor records**

The W-2 Contractor shall permit appropriate representatives of DCF to have access to the W-2 Contractor's records and financial Statements as necessary to review W-2 Contractor's compliance with the Federal and State requirements for the use of the funding.

**G. Failure to comply with the requirements of this section**

In the event that the W-2 Contractor fails to have an appropriate audit performed or fails to provide a complete audit Reporting Package to DCF within the specified timeframes, DCF may apply one or more sanctions including (but not limited to):

1. Disallow the cost of audits that do not meet these standards;
2. Conduct an audit or arrange for an independent audit of the W-2 Contractor and charge the cost of completing the audit to the W-2 Contractor; and/or,
3. Charge the W-2 Contractor for all loss of Federal or State aid or for penalties assessed to DCF because the W-2 Contractor did not submit a complete audit report within the required time frame.

**H. Close-out Audits**

1. A Contract specific audit of an accounting period of less than twelve (12) months is required when a Contract is terminated for cause, when the Contract is terminated upon 120-day notice by either party, when the W-2 Contractor ceases operations or when the W-2 Contractor changes its accounting period (fiscal year). The purpose of the audit is to close-out the short accounting period. The required close-out Contract specific audit may be waived by DCF upon written request from the W-2 Contractor, except when the Contract is terminated for cause. The required close-out audit may not be waived when a Contract is terminated for cause.
2. The W-2 Contractor shall ensure that its auditor contacts DCF prior to beginning the audit. DCF, or its representative, shall have the opportunity to review the planned audit program, request additional compliance or internal control testing and attend any conference between the W-2 Contractor and the auditor. Payment of increased audit costs, as a result of the additional testing requested by DCF, is the responsibility of the W-2 Contractor.
3. DCF may require a close-out audit that meets the audit requirements specified in Section XII, B above. In addition, DCF may require that the auditor annualize revenues and expenditures for the purposes of applying OMB Circular A-133 and determining major Federal financial assistance programs. This information shall be disclosed in a note to the schedule of Federal awards.
4. All other provisions in the Audit Requirements section apply to Close-out Audits unless in conflict with the specific Close-out Audits requirements.

**X. STATE AND FEDERAL RULES AND REGULATIONS****A. Applicable Laws**

The W-2 Contractor shall comply with all Federal and State laws, rules and regulations and with Policies and Procedures relating to the provision of services under this Contract including, but not limited to, the Wisconsin Open Records laws, section 19.31 through 19.39 of the Wisconsin Statutes.

**B. Debarment Certification**

In conformance with Federal law, the authorized W-2 Contractor representative shall review, sign, and return the Certificate Regarding Debarment and Suspension form. (Appendix A)

### **C. Lobbying Certification**

In conformance with Federal law, the authorized W-2 Contractor representative shall review, sign and return with this Contract either the Certificate Regarding Lobbying form or the Disclosure of Lobbying Activities. (Appendix B)

### **D. Civil Rights Compliance (CRC) Requirements**

All Primary Recipients receiving a Grant Award, contract or agreement from the Department of Children and Families (DCF) must complete and submit a new CRC LOA by January 3, 2014 or within 15 working days from the date the grant, contract or agreement was signed, if the agreement is signed after January 1, 2014. All providers (new to DCF and those renewing contracts) must submit an LOA to DCF Civil Rights Unit to be compliant for the CRC period of January 1, 2014 – December 31, 2017.

The Agency agrees to meet state and federal Civil Rights Compliance (CRC) laws, requirements, rules and regulations, as they pertain to the services covered by this agreement. The website with Instruction and Templates necessary to complete both your CRC LOA and CRC Plan to meet civil rights requirement is located at: <http://dhs.wisconsin.gov/civilrights/CRC/Requirements.htm>

Additional resources and training information are available at:  
[http://dcf.wisconsin.gov/civil\\_rights/default.htm](http://dcf.wisconsin.gov/civil_rights/default.htm)

### **E. Non-Discrimination/Affirmative Action Requirements**

Unless an approved Affirmative Action Plan is on file with DCF on the date this Contractor is signed, W-2 Contractor is required to submit an Affirmative Action Plan within **fifteen (15)** working days of returning the signed Contract. Exceptions exist, and are noted in the Instructions for Vendors. An electronic version of the Instructions for Vendors and all forms required are available at:  
<http://vendornet.State.wi.us/vendornet/Contract/contcom.asp>.

### **F. Worker's Compensation**

The W-2 Contractor and any W-2 Subcontractor performing services for the State of Wisconsin shall maintain worker's compensation insurance as required by Wisconsin Statutes, for all eligible W-2 parents engaged in work experience as part of their W-2 assigned activities, and for those repaying Job Access Loans through volunteer work. The W-2 Contractor shall submit to DCF Bureau of Regional Operations evidence of this insurance coverage prior to placing eligible parents in work experience at the start of each calendar year.

### **G. Health and Safety**

#### **1. Health and Safety Requirements**

The W-2 Contractor agrees to develop and maintain a Continuity of Operations Plan (COOP) in the event that the primary service delivery location is uninhabitable or there is an extended health threat. DCF reserves the right to review the W-2 Contractor's COOP Plan and to require revisions to the Plan as necessary. All W-2 Contractors are required to conduct, or participate in, both fire evacuation and tornado shelter drills once each year and to follow related safety precautions at locations with W-2 Contractor staff or Subcontractor staff and equipment.

#### **2. Pro-Children Act of 1994**

Since a portion of the funds under the Contract includes Federal funds, the W-2 Contractor agrees to comply with Public law 103-227 (20 U.S. sections 6081-6084), also known as the Pro-Children Act of 1994. The law requires that smoking not be permitted within any indoor facility (or portion thereof) owned or leased or contracted for by any entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18). The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers

whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where Women, Infant and Children (WIC) coupons are redeemed.

## **XI. SUBCONTRACTS**

### **A. Prior Written Approval**

The W-2 Contractor may Subcontract part of this Agreement only with the prior written approval of DCF. In Milwaukee DCF Contract Manager will provide the approval. In the Balance of State the Bureau of Regional Operations Regional Administrator will provide the approval. The W-2 Contractor will remain responsible for all related program services covered under this Contract. In addition, DCF approval may be required regarding the award process, the terms and conditions of the Subcontracts and the Subcontractors selected. Approval of the Subcontractors will be withheld if DCF reasonably believes that the intended Subcontractor will not be a responsible provider in terms of services provided and costs billed.

### **B. W-2 Contractor Responsibility**

The W-2 Contractor retains responsibility for fulfillment of all terms and conditions of this Agreement when it enters into any agreement with a Subcontractor and will be subject to enforcement of the terms and conditions of this Contract. The W-2 Contractor shall require the Subcontractor to comply with all applicable provisions contained within this Contract.

For program specific related Subcontracting requirements refer to the Scope of Work included or attached to this Contract.

### **C. Subcontractor Audits**

Subcontractors that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of the Federal Office of Management and Budget (OMB) Circular A-133. Unless waived by the Department, Subcontractors that expend less than \$500,000 in a year in Federal awards, but more than \$25,000 in Department funds shall have a limited scope audit as provided for in Subpart B, Section 230 (b) (2) of OMB Circular A-133. These limited scope audits shall consist of agreed-upon procedures engagements conducted in accordance with either the American Institute of Certified Public Accountants' (AICPA) generally accepted auditing standards or attestation standards, that are paid for and arranged by the W-2 Contractor and address only the following types of compliance requirements relative to the W-2 program: activities allowed or unallowed; allowable costs/cost principles; eligibility and reporting.

The W-2 Contractor shall obtain, review and resolve Subcontractor audits in a timely manner in accordance with OMB Circular A-133. Any costs disallowed under the Subcontractor audits will be recovered by the W-2 Contract Agency.

### **D. Subcontractor Monitoring**

The W-2 Contractor is responsible for monitoring performance, compliance and costs claimed of all Subcontractors. These monitoring efforts will be documented and shall include on-site visits, at least annually. Any cost disallowed as a result of Subcontractor monitoring will be recovered by the W-2 Contractor.

### **E. Minority Business Subcontractors**

The Wisconsin Department of Children and Families is committed to the promotion of minority businesses in the State's purchasing program. Authority for this program is found in Wisconsin Statutes 15.107(2), 16.75(3m), and 16.755.

W-2 Contractors are strongly urged to use due diligence to further this policy by setting up Subcontracts to State-certified Minority Business Enterprises (MBE) and/or by using such enterprises to provide goods and services incidental to this Contract (second-tier suppliers), with a goal of awarding 5% of the Contract cost

to such enterprises. An MBE means a business certified, or certifiable, by the Wisconsin Department of Administration under Statute 16.75(3m)(b)(1).

## **XII. MONITORING AND COMPLIANCE REVIEWS**

### **A. Monitoring**

DCF will monitor the W-2 Contractor's general compliance and adherence to the terms of the Contract, the Scope of Work and the W-2 Contractor's Standard Operating Procedures approved by DCF. Monitoring may be conducted on a periodic basis or as otherwise determined by DCF. Monitoring may be conducted by several units within DCF including, but not limited to, the Bureau of Working Families, Milwaukee Operations Section and Programs Operations Section, the Bureau of Regional Operations and the Bureau of Finance. Monitoring may be conducted as part of State or Federal program and fiscal reviews. DCF is not required to notify the W-2 Contractor in advance of review of cases through a desk review.

DCF reserves the right to monitor all aspects of the Contract, including (but not limited to):

- Adherence to the terms and conditions of the Contract,
- Adherence to State and Federal laws governing the Contract,
- Attainment of and claiming for performance outcome payments,
- Efficiency of caseload management as it relates to capitated payments,
- Adherence to fiscal reporting and cost allocation requirements,
- Customer satisfaction and quality of services provided, and
- Adherence to State and Federal cost guidelines.

DCF may also monitor customer complaints regarding the operation of the program by the W-2 Contractor. The W-2 Contractor shall provide DCF with access to all customer records upon request, including the results of W-2 Contractor administrative reviews of customer complaints.

On-site monitoring visits will be scheduled at a time that is mutually acceptable to the parties with at least ten (10) days advance notice to the W-2 Contractor, or at an earlier date upon mutual agreement. On-site visits based on emergent issues may be conducted by DCF as needed, without advance notice from DCF.

As a result of monitoring, DCF may make recommendations concerning compliance with program requirements, achievement of program performance standards or the administrative efficiency of the program, and DCF may require that the W-2 Contractor take corrective action to remedy any identified deficiencies.

DCF reserves the right to inspect or investigate any and all W-2 Contractor and Subcontractor records, standard operating procedures, and operations at any time during and after the close of the Contract period.

### **B. Program Compliance Reviews**

DCF may, at its discretion, schedule a more extensive Program Compliance Review. In the event that DCF conducts a compliance review, it may include the examination of records maintained by the W-2 Contractor. The review shall be conducted in accordance with DCF procedures. This review will not supplant the requirement to conduct a single audit of the W-2 Contractor.

#### **1. Cooperation with Compliance Review**

The W-2 Contractor will cooperate with the compliance review by making available W-2 Contractor staff, internal documents, and program records. The W-2 Contractor will provide DCF with all requested information immediately, or within not more than five (5) working days of DCF's request.

2. Compliance Review Report

Upon completion of the compliance review, DCF shall provide the W-2 Contractor with a resultant management letter and report which identifies any issues of non-compliance and recommendations for program improvement. The review report will be issued by DCF within thirty (30) calendar days of all information needed from the W-2 Contractor being received by DCF. The review report will identify any actions necessary by the W-2 Contractor to achieve compliance with requirements and program performance standards, including itemizing any disallowances as appropriate. DCF will make available to the W-2 Contractor any additional supporting documentation upon request.

3. Contractor Response

The W-2 Contractor shall respond to the review report within 30 days, or other date upon mutual agreement, to specify actions that will be taken by the W-2 Contractor to address findings and recommendations in the review report. DCF may require that review findings and recommendations be addressed through corrective action, up to and including termination of the Contract for cause.

4. Technical Assistance

The W-2 Contractor may identify technical assistance needs to address the actions specified in the review report. DCF may assist the W-2 Contractor in making arrangements for technical assistance, if such assistance is warranted.

5. Dispute Resolution

If the W-2 Contractor does not agree with DCF's findings or proposed remedies, the W-2 Contractor may use the Dispute Resolution procedures under this Contract.

**C. Fiscal Reviews**

DCF may, at its discretion, schedule a more extensive Fiscal Review. In the event that DCF conducts a review, it may include the examination of records maintained by the W-2 Contractor. The review shall be conducted in accordance with DCF procedures. This review will not supplant the requirement to conduct a single audit of the W-2 Contractor.

1. Cooperation with Fiscal Review

The W-2 Contractor will cooperate with the fiscal review by making available W-2 Contractor staff, internal documents, and program records. The W-2 Contractor will provide DCF with all requested information immediately, or at a later date upon mutual agreement.

2. Fiscal Review Report

Upon completion of the fiscal review, DCF shall provide the W-2 Contractor with a draft report which identifies any issues of non-compliance and recommendations for program improvement. The report will be issued by DCF within forty-five (45) calendar days of all information needed from the W-2 Contractor being received by DCF. The review report will identify any actions necessary by the W-2 Contractor to achieve compliance with fiscal requirements and standards, including itemizing any disallowances as appropriate. DCF will make available to the W-2 Contractor any additional supporting documentation upon request.

3. Contractor Response

The W-2 Contractor shall respond to the fiscal review report within thirty (30) calendar days, or other date upon mutual agreement, to specify actions that will be taken by the W-2 Contractor to address findings and recommendations in the fiscal review report. DCF may require that review findings and recommendations be addressed through corrective action, up to and including termination of the Contract for cause. A final report will be issued that includes the W-2 Contractor's response.

4. Technical Assistance

The W-2 Contractor may identify technical assistance needs to address the actions specified in the review report. DCF may assist the W-2 Contractor in making arrangements for technical assistance, if such assistance is warranted.

5. Dispute Resolution

If the W-2 Contractor does not agree with DCF's findings or proposed remedies, the W-2 Contractor may use the Dispute Resolution procedures under this Contract.

The W-2 Contractor will return to DCF any funds paid in excess of the allowable costs of services provided under this agreement within thirty (30) calendar days of notification by DCF.

**D. Annual Full-Time Employee (FTE) Reporting Requirements**

The W-2 Contractor must provide financial information as required in a defined format by DCF by the due date specified. Such information includes, but is not limited to, staff salary and incentives, severance pay, Full-Time Equivalency (FTE) counts and salary allocation percentages.

**E. Corrective Action**

DCF will notify the W-2 Contractor of items that require corrective action and the need for the W-2 Contractor to develop and submit a Corrective Action Plan. The W-2 Contractor response shall be submitted within 10 business days of the date of the notice under this section, unless DCF approves an extension. DCF must approve the W-2 Contractor's plan for corrective action. A failure by the W-2 Contractor to submit a Corrective Action Plan acceptable to DCF or to fully implement the approved Corrective Action Plan may result in a payment reduction to be determined by DCF. Failure to comply with any part of this Contract may be caused for revision or termination of the Contract.

**F. Inability to Perform Notice to DCF**

The W-2 Contractor shall immediately notify DCF if the W-2 Contractor is substantially unable to provide the services specified under this Contract. Upon such notification, DCF shall determine whether such inability will require amendment to or termination of the Contract.

**XIII. DISPUTE RESOLUTION**

If any dispute arises between DCF and the W-2 Contractor under this Contract, including DCF's finding of non-compliance and imposition of sanctions or remedial measures, the following process will be the exclusive administrative review.

- A. DCF's and W-2 Contractor's Contract Managers will attempt to resolve the dispute. For W-2 geographical areas outside of Milwaukee County, the W-2 Contractor shall contact the Bureau of Regional Operations W-2 Regional Coordinator who will coordinate with the Chief of the Program Operations Section.
- B. If the dispute cannot be resolved by the Contract Managers, W-2 Contractor may ask for review by the Administrator of the Division in which DCF's Contract Manager is employed.
- C. If the dispute is still not resolved, W-2 Contractor may request a final review by the Secretary of DCF or his or her designee.
- D. Disputes relating to denied or disallowed claims shall not be reviewable by the Secretary of DCF. Depending on the volume of disputes relating to claims, the Administrator in Subsection B may appoint a claims adjudicator to review all disputed claims and to make a final decision for DCF.

#### **XIV. CANCELLATION AND TERMINATION**

##### **A. Termination for Cause**

DCF may terminate this Contract after providing the W-2 Contractor with thirty (30) calendar days written notice of the W-2 Contractor's right to cure a failure of the W-2 Contractor to perform under the terms of this Contract.

The W-2 Contractor may terminate this Contract after providing DCF one hundred and twenty (120) calendar days' notice of the State's right to cure a failure of the State to perform under the terms of this Contract.

Upon the termination of this Contract for any reason, or upon Contract expiration, each party shall be released from all obligations to the other party arising after the date of termination or expiration, except for those that by their terms survive such termination or expiration.

##### **B. Termination for Convenience**

Either party may terminate this Contract at any time, without cause, by providing a written notice; effective at the end of the month in which the one hundred and twentieth (120<sup>th</sup>) calendar day occurs after the written notice of termination was received.

In the event of termination for convenience, the W-2 Contractor shall be entitled to receive compensation for any payments owed under the Contract. The W-2 Contractor shall also be compensated for partially completed services for its cost reimbursable expenses. In this event, compensation for such partially completed services shall be no more than the percentage of completion of the services requested, at the sole discretion of DCF, multiplied by the corresponding payment for completion of such services as set forth in the Contract. Alternatively, at the sole discretion of DCF, the W-2 Contractor may be compensated for the actual service hours provided.

##### **C. Partial Contract Cancellation**

DCF, at its convenience and without cause, may exercise the right to cancel this Contract in part without penalty of the W-2 Contractor, including but not limited to any service which is the subject of a Subcontract between the W-2 Contractor and a third party. The W-2 Contractor shall be given at least thirty (30) calendar day's prior written notice of said Partial Cancellation with said notice to specify the area(s) of service being cancelled and the effective date of cancellation. Any Partial Cancellation by DCF shall not alter in any way W-2 Contractor's other obligations under this Contract. DCF may withhold from amounts due the W-2 Contractor the amount the W-2 Contractor would have been paid to deliver the service as determined by DCF. The amounts shall be withheld effective as of the date specified on written notice. Upon Partial Cancellation, the W-2 Contractor shall have no right to recover from DCF any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

DCF reserves the right to cancel any Contract in whole or in part without penalty due to non-appropriation of funds by Congress or the State Legislature. DCF may reimburse the W-2 Contractor for reasonable and approved close-out costs for reimbursable costs only.

DCF reserves the right to cancel any Contract in whole or in part without notice and without penalty upon receipt of an Inability to Perform Notice to DCF from the W-2 Contractor. DCF may immediately obtain services from another source to replace any services for which it has received an Inability to Perform Notice.



## **XV. TRANSITION UPON TERMINATION OR EXPIRATION OF CONTRACT**

### **A. Transition Plan**

Within 15 business days of a notice provided under section XIV.A (Termination for Cause), the W-2 Contractor shall develop a plan for the complete transition of the W-2 Contractor's responsibilities to DCF or to a successor W-2 Contractor. The plan will allow for uninterrupted continuation of services to program participants and shall include provisions for the orderly transfer of all participant information including paper and electronic files held by the W-2 Contractor or its Subcontractor. The Transition Plan is subject to approval by DCF.

### **B. Transition Responsibilities**

The parties acknowledge that the continuing provision of high quality services requires that there be no disruption of services during a transition from the W-2 Contractor to DCF or to a successor W-2 Contractor, if any, at the expiration or termination of this Contract. Accordingly, the W-2 Contractor will cooperate fully in providing for an orderly and controlled transition to DCF or to a successor W-2 Contractor and will minimize any disruption in the services to be performed under this Contract.

### **C. Continuation of Services**

Notwithstanding any other provision in this Contract, the W-2 Contractor shall continue providing Contract services until DCF determines that DCF or a successor W-2 Contractor is prepared to fully assume the W-2 Contractor's duties and obligations under this Contract. All the terms and conditions of the Contract will apply during this period.

### **D. Staffing During Transition**

The W-2 Contractor shall maintain the staffing requirements in this Contract until DCF or a successor W-2 Contractor fully assumes the W-2 Contractor's responsibilities under this Contract. The W-2 Contractor shall not restrict its employees from becoming employees of DCF or of a successor W-2 Contractor, except to the extent necessary for the W-2 Contractor to fulfill its obligations during the transition period.

### **E. DCF Oversight of Transition**

DCF's Contract Manager will oversee the transition by coordinating transition activities and approving the transition plan. The W-2 Contractor shall designate a person responsible for coordinating its transition responsibilities and will assign staff as DCF determines is necessary to assist in the transition. Status meetings including staff from all parties involved in the transition will be held as frequently as DCF determines is necessary.

## **XVI. SUPPLEMENTAL STANDARD TERMS AND CONDITIONS**

### **A. CONTRACTOR'S INSURANCE RESPONSIBILITY.**

The Contractor shall maintain the following insurance coverage:

- Worker's compensation insurance, as required under Chapter 102 of the Wisconsin Statutes, for all of the Contractor's employees engaged in the work performed under this Contract;
- Commercial liability, bodily injury and property damage insurance against any claim(s) that may occur in carrying out the terms of this Contract, with a minimum coverage of one million dollars (\$1,000,000) liability for bodily injury and property damage including products liability and completed operations; and
- Motor vehicle insurance for all owned, non-owned and hired vehicles that are used in carrying out the terms of this Contract, with a minimum coverage of one million dollars (\$1,000,000) per occurrence combined single limit for automobile liability and property damage.
- Certificate of Insurance, showing up-to-date coverage, shall be on file in the Agency before the Contract may commence. (if applicable)

The State reserves the right to require higher or lower insurance limits where warranted.

**B. CONTRACTOR INDEMNIFICATION.**

Contractor shall hold the State harmless and shall indemnify the State, its Agencies, officers and employees against any and all claims, suits, actions, liabilities and costs of any kind, including attorney's fees, for personal injury or damage to property arising from the acts or omissions of the Contractor, its agents, officers, employees or Subcontractors in the performance of this Contract.

**C. PATENT INFRINGEMENT AND LABOR STANDARDS.**

The Contractor guarantees that any items provided to the State hereunder were manufactured or produced in accordance with applicable Federal labor laws, and that the sale or use of said items shall not infringe any United States patent. The Contractor shall at its own expense defend every suit brought against the State for any alleged patent infringement by reason of the sale or use of such items, provided that the Contractor is promptly notified of such suit, and is given all related documents. The Contractor shall pay all costs, damages, and profits recoverable in any such infringement lawsuit.

**D. INDEPENDENT CONTRACTOR AND APPARENT AGENCY.**

The Contractor shall take no action, or make any omission, that may imply, or cause others reasonably to infer, that the Contractor is acting as the State's agent in any matter or in any way not expressly authorized by this Contract.

**E. STATE EMPLOYEES.**

The Contractor may not Contract with or employ a State employee or an individual retained as a full-time Contractor by the State during the term of this Contract except with the State's prior written approval.

**F. ANTITRUST ASSIGNMENT.**

By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the State all rights, title and interest in and to all causes of action, claims and demands of whatever nature it may now have or hereafter acquire under the antitrust laws of the United States and the State, relating to the particular goods or services purchased or acquired by the State under this Contract.

**G. FOREIGN CORPORATION.**

The Contractor shall conform to all the requirements of Chapter 180, Wis. Stats., relating to a foreign corporation (i.e. any corporation other than a Wisconsin corporation), and shall possess a certificate of authority from the Wisconsin Department of Financial Institutions, unless the corporation is transacting business in interstate commerce or is otherwise exempt from the requirement of obtaining a said certificate.

**H. NOTICE AND CHANGE OF CONTACT INFORMATION.**

Any notice required or permitted to be given hereunder shall be deemed to have been given on the date of delivery or three (3) Business Days after mailing by postal service, certified or registered mail-receipt requested. In the event the Contractor moves or updates contact information, the Contractor shall inform the State of such changes in writing within ten (10) Business Days. The State shall not be held responsible for payments on Purchase Orders delayed due to the Contractor's failure to provide such notice

**I. BREACH NOT WAIVER.**

A failure to exercise any right, or a delay in exercising any right, power or remedy hereunder on the part of either party shall not operate as a waiver thereof. Any express waiver shall be in writing and shall not affect any event or default other than the event or default specified in such waiver. A waiver of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The making of any payment to the Contractor under this Contract shall not constitute a waiver of default, evidence of proper Contractor performance, or Acceptance of any defective item or work furnished by the Contractor.

**J. TIME IS OF THE ESSENCE.**

Timely provision of the goods or services required under this Contract shall be of the essence of the Contract, including the provision of the goods or services within the time agreed or on a date specified herein.

**K. RESPONSIBILITY FOR ACTIONS.**

The Contractor shall be solely responsible for its actions and those of its agents, employees, or Subcontractors under this Contract, and neither the Contractor nor any of the foregoing parties has authority to act or speak on behalf of the State.

**L. CONTRACTOR PERSONNEL.**

The State reserves the right to refuse to admit to the State's premises any person employed or contracted by the Contractor whose admission in the opinion of the State would be undesirable. If requested by the State, the Contractor shall provide a list of the names and addresses of all Contractor's employees, contracted personnel, or Subcontractor's employees who may at any time require admission to the State's premises in connection with the performance of the services, specifying each such person's connection to the Contractor, the role the person is to take in the performance of the Contract, and other particulars as the State may require.

**M. BACKGROUND OR CRIMINAL HISTORY INVESTIGATION.**

Prior to the commencement of any services under this Contract, the State may request a background or criminal history investigation any of the Contractor's employees, contracted personnel, and Subcontractor's employees, who will be providing services to the State under the Contract. If any of the stated personnel providing services to the State under this Contract is not acceptable to the State in its sole opinion as a result of the background or criminal history investigation, the State may either request immediate replacement of the person in question, or immediately terminate this Contract and any related Service Agreement.